



PRESS RELEASE

FOR IMMEDIATE RELEASE
March 7, 2003

For Information Contact Public Affairs
Mike Johns (602) 514-7566

SCOTTSDALE MAN CONVICTED OF HEALTH CARE CLAIMS EMBEZZLEMENT

PHOENIX, ARIZONA -- The United States Attorney's Office for the District of Arizona announced that on March 6, 2003, Frank C. Rousseau, d.o.b. 3/11/45, of Scottsdale, AZ, was found guilty of by a federal jury at Phoenix, Arizona, of 4 counts of Wire Fraud and 17 counts of Embezzlement from a Health Care Benefit Program.

The evidence at trial showed that between January and July 1997, Frank C. Rousseau, while serving as the CEO of L&H Administrators, embezzled over one million dollars of client funds. The funds had been entrusted to the L&H company as a third party administrator to pay health care claims for employees. Rousseau was found to have directed the spending of claim money to cover his company's general operating expenses. Specifically, the jury found Rousseau guilty of a number of illegal transfers of money from the claims accounts of three clients to cover shortages in other claim accounts and in order to meet payroll. L&H Administrators went out of business in July 1997 and subsequently was forced into bankruptcy.

Mr. Rousseau had been charged with violating Title 18 of the United States Code, Section 1343, Wire Fraud incident to the transfer of \$1.3 million dollars from the Clark County, Nevada, Employee Health Care Claims Account and also of violating Title 18 of the United States Code, Section 669, Embezzlement

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from a Health Care Benefit Program. The latter charge alleges that Rousseau directed the transfer of employee health care money from the health care claims accounts of Clark County, NV, Kinko's and the Wortz companies for the benefit of his own company.

A conviction for 18 USC 669, Embezzlement from a Health Care Benefit Program carries a maximum penalty of 10 years imprisonment, a \$250,000 fine or both. A conviction for 18 USC 1343, Wire Fraud carries a maximum penalty of 5 years imprisonment, a \$250,000 fine or both. The case was tried before United States District Court Judge Roger G. Strand.

The investigation preceding the indictment was conducted by Investigators from the United States Department of Labor, Pension and Welfare Benefits Administration, the Federal Bureau of Investigation and the United States Attorney's Office.

Sentencing is set before Judge Strand on May 21, 2003

Billy Beaver, Director of the Los Angeles Regional Office of the Employee Benefits Security Administration, said in a prepared statement to all service providers that, "my agency is committed to protecting the assets of employee benefit plans and will aggressively pursue violations of positions of trust under our statutory mandate."

The prosecution is being handled by Richard I. Mesh, Assistant United States Attorney, District of Arizona, Phoenix, Arizona.

CASE NUMBER: CR-02-603-PHX
RELEASE NUMBER: 2003-029

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